

Board of County Commissioners Agenda Request

Date of Meeting: March 22, 2005

Date Submitted: March 16, 2005

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*
Vincent Long, Assistant County Administrator

Subject: Approval to Allocate Funds Pursuant to the Leon County Expanded Drivers' Education Program for Fiscal Year 2004/05.

Statement of Issue:

This agenda item requests Board approval to disburse annual funding allocation for the Leon County Expanded Drivers' Education Program for fiscal year 2004/05, and provides an update on the audit of Partners for Highway Safety (PHS).

Background:

On September 24, 2002, the Board adopted Ordinance #2002-20, providing for an additional \$3.00 civil traffic penalty in Leon County effective October 1, 2002. The purpose of the additional funds is to support expanded drivers' education programs in public and nonpublic schools in accordance with the "Dori Slosberg Driver Education Safety Act" (Attachment #1).

In FY 02/03 and FY 03/04, the Board contracted with both the Leon County School Board (LCSB) and PHS for expanded drivers' education. The contracts for FY 03/04 terminated on September 30, 2004. On November 16, 2004, the Board accepted a status report on the Leon County Expanded Drivers' Education Program that requested a postponement of the Contract renewal process until staff had completed an audit of PHS (Attachment #2).

Analysis:

As required by their contracts with the Board, PHS and LCSB each submitted an annual report to staff.

Final Report from the Leon County School Board FY 03/04

The Board approved a FY 03/04 contract with LCSB for \$55,000 to purchase new or slightly used driving range vehicles for each of the County's public high schools in order to increase and improve "behind the wheel" instruction (Attachment #3). In an invoice, serving as part of the LCSB's required year-end report, LCSB reported that three new driving range vehicles were bid on at a cost of \$12,693 each, totaling \$38,079. A computer driver simulator with instructional materials was also purchased for \$14,000 (Attachment #4).

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Final Report from Partners for Highway Safety FY 03/04

The Board approved a FY 03/04 contract with PHS for \$51,800. Of this funding, \$15,000 was to be used for equipment purchases, while the remaining \$36,800 was for County reimbursement to PHS for program discounts offered to Leon County residents for "Collision Avoidance Training" (CAT), "Novice Driver Training" (NOV), and similar driver training programs PHS may offer (Attachment #5). In a letter serving as PHS' required year end report, PHS President Paul Burris reported that PHS trained 682 Leon County residents, 478 of which were for the "First Time Drivers" (FTD) program. Mr. Burris failed to report or provide any information on the \$15,000 given to PHS for equipment purchases. At that time, staff requested Mr. Burris provide documentation for equipment purchases and was provided invoices for a 2003 Grand Marquis and a Toshiba Mobile Projector.

Audit of the Leon County Expanded Drivers' Education Program

Immediately after receiving the annual reports from PHS and LCSB, staff began a review of the programs covering FY 02/03 and FY 03/04. After an initial review of the records, staff identified numerous discrepancies relating to the contractual Agreement between the County and PHS. Consequently, staff began a detailed audit of PHS to address discrepancies regarding equipment purchases and accounting errors.

#1) Non-County Residents:

As described in Attachment #5, the agreement between the County and PHS outlines a process whereby PHS offers \$100 rebates to Leon County residents for PHS programs. The County requires that PHS verify Leon County residency by reviewing the student's driver's license (or other valid documentation) and having the student fill out and sign a "Statement of Residence." PHS then submits a monthly invoice to the County, which includes copies of the Statements of Residence, and requests reimbursement for the rebates they have already given to students during that month. During the audit, staff identified numerous instances in which the County reimbursed PHS \$100 for non-County residents taking PHS programs based upon erroneous invoices submitted by PHS.

#2) Multiple Rebates Offered to the Same Student:

Staff identified a pattern of "repeat performers" or students that had received multiple reimbursements for taking PHS programs. Staff is primarily concerned with residents who have been processed for multiple reimbursements for the same program on, or near, the same day, and the potential for PHS "double billing" the County for the same person in this manner.

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#3) First Time Drivers' Program:

The County's audit of the Agreement with PHS has revealed a generous number of students have taken FTD. The Agreement with PHS authorizes the County to reimburse PHS for \$100 discounts offered on all driver education programs, on a dollar for dollar reimbursement basis. According to Mr. Burris, the registration fee for FTD is \$30 and Leon County residents are offered \$10 to \$15 discounts (Attachment #6). Therefore, PHS has been overcharging the County \$85 to \$90 for the reimbursement of each Leon County resident taking FTD.

#4) Equipment Purchases:

During the initial stage of the audit, staff was contacted by the manager of Driver Education and DUI Programs at the Florida Department of Highway Safety and Motor Vehicles (DHSMV) regarding the state's contract with PHS. Staff was notified that PHS had also been receiving state funds for equipment purchases and driver training programs that might overlap the funding provided by the County. DHSMV brought to staff's attention that PHS had submitted an invoice to DHSMV for the purchase of a 2003 Grand Marquis. The invoice submitted to DHSMV matched the invoice submitted to Leon County for the same model automobile, including identical vehicle identification number, mileage, and cost.

In summary, staff's audit of PHS identified numerous cases in which PHS submitted reimbursement requests for non-County residents and multiple reimbursement requests for the same student. Staff also learned of PHS requesting \$100 reimbursements from the County after offering \$10 to \$15 reimbursements to students. Staff will continue to work with the State to determine if the County will need to seek restitution for the equipment funding that PHS used for the purchase of the 2003 Grand Marquis.

State Investigation

During the week of October 18, 2004, staff was contacted by an investigator with the Florida Department of Financial Services (DFS) and notified that the state was conducting a criminal investigation of PHS. Staff was informed that the investigation was related to the potential misuse of state funding by PHS. Staff met with DFS' Office of Fiscal Integrity investigators on October 27 and 28, 2004, to exchange information regarding the County's driver education program and its contract with PHS.

Search warrants were subsequently issued for the office, located in the Leon County Traffic Court Annex, and Mr. Burris' home. On March 10, 2005, Mr. Burris was arrested and charged with two second-degree felonies, grand theft and organized scheme to defraud (Attachment #7).

Staff will continue to cooperate with state investigators and keep the Board apprised of any information related to the Leon County Expanded Drivers' Education Program. County Administration will work with the County Attorney's Office and the State to recover the funding

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which staff's audit and the state investigation reveal is owed to the County.

Proposed Contracts for FY 04/05

The Board approved the continuation of the Leon County Expanded Drivers' Education Program with the approval of the FY 04/05 County budget for \$114,000.

PHS has not submitted a formal budget request, but Mr. Burris has expressed interest in continuing to provide enhanced driver education using County funds. Superintendent Bill Montford submitted a budget request on behalf of LCSB requesting 100% of the available FY 04/05 LCEDEP funding. LCSB reports that they will utilize these funds to purchase additional computer driver simulators for all of the County's public high schools (Attachment #8). Driver simulators cost approximately \$14,000 each and provide instruction from a classroom setting when students are unable to drive on the school driving ranges.

Options:

1. Accept report and authorize staff to develop an Agreement with the Leon County School Board for the Leon County Expanded Drivers' Education Program for FY 04/05.
2. Accept report and authorize staff to develop two contracts to fund both the Leon County School Board and Partners for Highway Safety for FY 04/05 funding at levels determined by the Board.
3. Board Direction

Recommendation:

Option #1

Attachments:

1. Leon County Ordinance #2002-20, relating to additional civil traffic penalties.
2. November 16, 2004 Agenda Item providing a status report on the Leon County Expanded Drivers' Education Program.
3. Contract between the Board and the Leon County School Board for FY 03/04.
4. Leon County School Board purchase order.
5. Contract between the Board and Partners for Highway Safety for FY 03/04.
6. October 13, 2004 letter from Paul Burris, President of Partners for Highway Safety.
7. March 10, 2005 Press Release from the Florida Department of Financial Services.
8. February 4, 2005 letter from Superintendent Bill Montford requesting 100% funding.

PA/VL/KM